Single European railway area. Recast

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In accordance with Directive 2012/34/EU, the Commission presents its sixth report on monitoring development of the rail market.

The report provides an overview of the main developments in rail markets in the context of EU rail market policy objectives. The Commission notes that this is the first report to draw on the reporting questionnaire set out in Commission Implementing Regulation (EU) 2015/1100 on rail market monitoring ('the RMMS Regulation'), which was applicable from 1 January 2016. The report covers a broad range of topics such as the evolution of the internal market in rail services, the infrastructure and services available to railway undertakings, the framework conditions (including charges), the state of the network, the utilisation of access rights and barriers to more effective rail services.

Evolution of rail services

EU railways continue to grow, with passenger volumes in particular increasing significantly between 2011 and 2016. Rail passenger traffic continued to grow 1.7 % per year. Rail passenger traffic is mostly domestic, with only 6 % crossing borders in 2016. At the same time, rail markets are gradually opening up and safety levels remain high. Between 2011 and 2015, rail travel was more than 25 times safer than travelling by car.

The industry is gradually becoming more responsive to customer needs. According to a Eurobarometer survey published in September 2018, 66 % of Europeans are satisfied with the frequency of passenger trains, 59 % with punctuality and reliability, and 55 % with travel information during journeys, particularly when there is a delay. These figures represent significant improvements compared to a similar survey carried out in 2013.

The report notes that rail has the potential to play a significant role in accelerating the reduction in transport emissions. Rail only accounts for 2 % of total EU energy consumption in transport, while it carried 11.2 % of freight and 6.6 % of passengers of all transport modes in 2016.

The total length of the EU rail network in 2016 was around 221 000 line kilometres (1.6 % lower than in 2011). Around 54 % of the EU network was electrified in 2016, with an additional 2 097 km of electrified route since 2011 (+1.7 %). The EU's high-speed network stretched to over 8 400 line kilometres by the end of 2017, and has more than doubled in length since 2003.

Rail freight

Unlike the passenger market, the Commission notes that freight volumes remain volatile and led to a loss of modal share in comparison with road transport in 2016. Since the peak in 2011 (19 %), the rail share in EU land freight has decreased, although managed to remain at around 17 % in 2016, while the road share has increased from 75 % to 76 %. Rail freight traffic has struggled to recover from the significant drop in volumes experienced in 2009, the low point of the economic crisis. The international nature of these services makes them sensitive to interoperability barriers and cross-border coordination issues. To tackle the situation, the Commission is pursuing an agenda of complementary initiatives and measures. The Commission's long-standing policy of achieving interoperability (including the efficient and coordinated deployment of ERTMS) has been strengthened recently, with the focus on solving practical cross-border operational issues.

Degree of market opening

The rail freight market was opened up to competition in 2007. In 2016, new operators competing with national incumbents were active in all countries except Greece, Ireland, Lithuania and Luxembourg, and in half of them the market share of competitors was more than 40 %. Between 2011 and 2016, the market share of competitors steadily increased in all EU countries. Competitors lost market share only in Sweden and Estonia, with their market share in Estonia falling from 41 % to 20 %.

While the international passenger market has been opened up to competition since 2010, Member States continue to regulate access to their domestic passenger markets until the Fourth Railway Package is implemented. According to reported figures, only half of the Member States have competitors operating in the commercial passenger market. Their market share is generally higher than 10 %, and in four Member States new entrants offer almost all of the commercial services.

The report goes on to note that implementation of the Fourth Railway Package's technical pillar from June 2019 will improve interoperability between national rail networks. It will also cut red tape for operations beyond one single Member State and strengthening the role of the European Union Agency for Railways. The market pillar completes the opening of domestic markets as of December 2019 and imposes the principle of competitive tendering as the rule for public service contracts in the EU by December 2023 at the latest, with direct award only allowed in exceptional cases.

Employment and social conditions

According to the RMMS data reported by the Member States and Norway, at the end of 2016 just over 1 million people were employed in the European railway sector, around 600 000 of them by railway undertakings and 440 000 by infrastructure managers. The workforce is predominantly male; on average only 21 % were women. An ageing workforce continues to be a concern, especially for Spain, Greece and Italy, where over 50 % of the workforce were over 50 years old in 2016.

Outlook

The Commission's infrastructure development policy in the form of the Trans-European Transport Network (TEN-T) policy aims to improve infrastructure by addressing bottlenecks and missing links. Under the next financial period, the Commission has proposed to use Connecting Europe Facility 2, Cohesion Fund, European Regional Development Fund and Invest EU financial support to speed up also rail digitalisation. To help the rail industry access finance, the Commission is developing a methodology to assess the green components in rail projects under its action plan on sustainable finance. The rail freight corridors remain a key part of the Commission's policy to boost rail freight. The Rail Freight Regulation and Train Drivers Directive are still being evaluated. To bolster rail freight, in November 2017 the Commission proposed amending the Combined Transport Directive as part of its second mobility package to provide new and more effective support measures for shifting freight from road to rail.

Lastly, the Commission notes that rail cannot be considered in isolation from other modes: its competitiveness also depends on the framework for intermodal competition. Accordingly, the Commission is striving for equal conditions for intermodal competition, such as through the mobility package including the amendment of the Eurovignette Directive. The Commission has also commissioned a comprehensive study on the internalisation of external costs in transport. This will help it to assess the extent to which the 'user pays' and 'polluter pays' principles are implemented in the Member States for all modes of transport.